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Recurrent export growth with higher export prices

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GERMAN PRISM

Commerzbank Acquires Participation In Singapore

Commerzbank has bought a participation in the Development Bank of Singapore Ltd. This institution—according to information published by Commerzbank—has started its operations on Sept. 1, 1968. The paid-up capital amounts to DM 130 mn and has been supplied, apart from the Singapore government, by renowned banks in Europe and overseas. Commerzbank is also represented in the Development Bank's supervisory Board.

Moreover, Commerzbank has engaged itself in the Swiss Financing Company Viking S.A. This institution has hitherto been run by eight Norwegian shipping companies and from now on will operate also internationally by raising funds for shipbuilding. In this context its capital has been increased from sfrs 20 mn to 50 mn.

Recurrent Export Growth with Higher Export Prices

In the 1st quarter of 1969 foreign trade produced a surplus of "only" DM 2,800 mn after DM 4,300 mn in the previous year's corresponding period. This development reflected the reaction of goods trade to the German fiscal measures for safeguarding foreign trade as taken in November, 1968. This influence was, however, limited mainly to the months of January and February, when exports adjusted for seasonal variation dropped by nearly 9 p.c. below the results obtained in November/December 1968. These had been excessive due to deliveries effected in advance. Imports with a cyclical increase by almost 16 p.c. caught up considerably. Foreign trade results of March, on the other hand, already show a change in the trend again. As against the preceding months exports with an increase of 24 p.c. had again a considerably higher growth rate than usual at this season. Imports, too, with nearly 20 p.c. showed a more than average increase vis-à-vis the February results. However, if the Federal Government's goods imports as affected by the cyclical trend are excluded, the growth rate of imports exceeded its seasonally usual measure but slightly.

The March growth rate of exports adjusted for seasonal variation—as compared with February—can be traced back to the fact that supplies to the USA increased vigorously again after the

end of the dockers' strike. But also exports to the EFTA and EEC-countries rose more than usual at this season. In March the index of sales prices for export goods surpassed the November level by 3.2 p.c., for products of the processing industries by 3.4 p.c. even.

If even up to now the fiscal measures for safeguarding foreign trade did not show lasting effects on exports, for the future the development of incoming orders for industrial products indicates another acceleration of the export growth rate. The record level of incoming orders from abroad, that had been reached last October/November due to the prevailing expectations of a DM-revaluation, adjusted for seasonal variation has been exceeded considerably in the last months. In this context incoming orders surpassed the foreign trade turnovers—also adjusted for seasonal variation—by 21 p.c. in February and March. First the strong increase of foreign demand mainly involved the capital goods industry, particularly mechanical engineering. The latest available results of March are indicating that now foreign demand is generally expanding excessively. In March alone foreign orders adjusted for seasonal variation rose by 8.5 p.c. vis-à-vis February.

Development of Goods Trade with Arabian Countries

The Federal Republic's foreign trade with the Arabian countries, where 85 p.c. of Germany's total mineral oil imports are originating, developed quite differently in the 1st quarter of 1969. In terms of value it is showing a slightly rising trend. It is true, though, that goods trade with a number of these countries decreased in both directions. This decline is particularly noticeable in exports to Tunisia, Egypt, Sudan, Iraq, and Kuwait. According to a compilation of the Federal Ministry of Economics, in the first three months of 1969 German exports exceeded those of the previous year's corresponding period by DM 24.5 mn or 5 p.c. The value of exported goods rose from DM 486.1 mn to DM 510.6 mn. Imports from the Arabian countries (mainly mineral oil) increased by DM 27.3 mn or 2.1 p.c. from DM 1,313.3 mn to DM 1,340.6 mn in the period under review.

From January to March 1969 the Federal Republic of Germany imported a total of 20.8 mn tons of mineral oil, 17 mn tons or 82 p.c. of which came from the Arabian countries. With that mineral oil